

CAM RESOURCES BERHAD (Company No: 535311-D)

Quarterly Report on consolidated results for the first quarter ended 31/3/2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current year quarter ended</u> (Unaudited) <u>31/3/16</u> <u>RM'000</u>	<u>Preceding year corresponding quarter ended</u> (Unaudited) <u>31/3/15</u> <u>RM'000</u>	<u>Current year to date</u> (Unaudited) <u>31/3/16</u> <u>RM'000</u>	<u>Preceding year corresponding period</u> (Unaudited) <u>31/3/15</u> <u>RM'000</u>
Revenue	43,317	52,970	43,317	52,970
Cost Of Sales	(39,170)	(47,692)	(39,170)	(47,692)
Gross Profit	4,147	5,278	4,147	5,278
Other Income	869	422	869	422
Distribution Costs	(1,924)	(2,088)	(1,924)	(2,088)
Administrative Expenses	(1,372)	(1,283)	(1,372)	(1,283)
Other Expenses	(127)	(174)	(127)	(174)
Finance Costs	(729)	(769)	(729)	(769)
Share of loss of associates	-	-	-	-
Profit Before Tax	864	1,386	864	1,386
Income tax Expense	(356)	(503)	(356)	(503)
Profit For The Period	508	883	508	883
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Period	508	883	508	883
Attributable to:				
Equity Holders Of The Parent	508	883	508	883
Non-Controlling Interest	-	-	-	-
Total Comprehensive Income For The Period	508	883	508	883
EPS - Basic (sen)	0.26	0.50	0.26	0.50
- Diluted (sen)	N/A	N/A	N/A	N/A

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at end of current quarter 31/3/16 RM'000	As at preceding financial year end 31/12/15 RM'000
ASSETS		
Non Current Assets		
Property, Plant & Equipment	92,670	91,596
Intangible Assets	46	46
Goodwill on business combination	6,079	6,079
Deferred tax assets	1,941	1,941
	<u>100,736</u>	<u>99,662</u>
Current Assets		
Inventories	33,162	33,501
Trade receivables	21,842	21,525
Other receivables	2,975	4,844
Tax assets	937	1,068
Cash and bank balances	7,626	6,061
	<u>66,542</u>	<u>66,999</u>
Total Assets	<u>167,278</u>	<u>166,661</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	49,200	49,200
Treasury shares, at cost	(837)	(823)
Other reserves	5,178	5,178
Retained earnings	49,060	48,552
	<u>102,601</u>	<u>102,107</u>
Non-controlling interests	-	-
Total equity	<u>102,601</u>	<u>102,107</u>
Non Current Liabilities		
Long term borrowings	24,934	25,600
Deferred tax liabilities	3,630	3,643
	<u>28,564</u>	<u>29,243</u>
Current Liabilities		
Trade and other payables	11,770	12,193
Short term provisions	510	510
Short term borrowings	23,833	22,608
	<u>36,113</u>	<u>35,311</u>
Total Liabilities	<u>64,677</u>	<u>64,554</u>
Total Equity And Liabilities	<u>167,278</u>	<u>166,661</u>
Net Assets Per Share (RM)	0.53	0.53

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<u>Cumulative quarter ended 31/3/2016- Unaudited</u>							
At 01/01/2016	49,200	(823)	5,178	48,552	102,107	-	102,107
Profit for the period	-	-	-	508	508	-	508
Repurchase of own shares	-	(14)	-	-	(14)	-	(14)
At 31/03/2016	<u>49,200</u>	<u>(837)</u>	<u>5,178</u>	<u>49,060</u>	<u>102,601</u>	<u>-</u>	<u>102,601</u>
<u>Cumulative quarter ended 31/3/2015- Unaudited</u>							
At 01/01/2015	49,200	(4,464)	5,178	50,233	100,147	2,348	102,495
Acquisition of remaining equity interest of 16.37% from Non-controlling interest				(4,852)	(4,852)	(2,348)	(7,200)
Profit for the period	-	-	-	883	883	-	883
At 31/03/2015	<u>49,200</u>	<u>(4,464)</u>	<u>5,178</u>	<u>46,264</u>	<u>96,178</u>	<u>-</u>	<u>96,178</u>

(The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying notes attached to these interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarter ended 31/3/16 (Unaudited) RM'000	Cumulative quarter ended 31/3/15 (Unaudited) RM'000
Profit before tax	864	1,386
Adjustment for non-cash flow:-		
Non-cash items	1,445	1,250
Non-operating items (which are investing/financing)	677	730
Operating profit before changes in working capital	<u>2,986</u>	<u>3,366</u>
Changes in working capital		
Net change in inventories	339	2,727
Net change in receivables	2,695	6,852
Net change in payables	(423)	2,174
Cash flows from operation	<u>5,597</u>	<u>15,119</u>
Tax paid	(239)	(333)
Interest paid	(686)	(735)
Net cash from operating activities	<u>4,672</u>	<u>14,051</u>
Investing Activities		
Interest received	9	5
Purchase of property, plant and equipment	(2,512)	(4,348)
Acquisition of subsidiary	-	(7,200)
Net cash (used in) investing activities	<u>(2,503)</u>	<u>(11,543)</u>
Financing Activities		
Proceeds from borrowings	24,076	22,727
Repayment of borrowings	(26,022)	(19,731)
Net cash from/(used in) financing activities	<u>(1,960)</u>	<u>2,996</u>
Net Change in Cash & Cash Equivalents	209	5,504
Cash & Cash Equivalents at beginning of the period	1,969	1,171
Cash & Cash Equivalents at end of the period	<u>2,178</u>	<u>6,675</u>
Composition of Cash & Cash Equivalents:		
Deposits with licensed banks	-	1,000
Cash and bank balances	2,178	5,675
	<u>2,178</u>	<u>6,675</u>

(The Unaudited Condensed Consolidated Statement of Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015 and the accompanying notes attached to these interim financial statements)

NOTES TO THE QUARTERLY RESULTS

1. Accounting policies

This condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with MFRS 134 - Interim Financial Reporting, IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted in this period in this financial statements of the Group are consistent with those adopted for the annual financial statements of the Group for the financial year ended 31 December 2015 except for the:

(i) **New MFRSs, amendments/improvement to MFRSs that are issued, but not yet effective and have not been early adopted**

The Group have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) as at the date of authorisation of these financial statements but are not yet effective for the Group:-

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments/Improvements to MFRSs		
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016

The Group is in the process of assessing the impact which may arise from adoption of the above standards and amendments.

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2. Audit Report of Preceding Annual Financial Statements

The audit report of the annual financial statements of the Group for the financial year ended 31 December 2015 was not subject to any qualification.

3. Seasonality and cyclicity of operations

The Group's operations for the current quarter and financial year-to-date are not significantly affected by seasonal and cyclical factors.

4. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter and financial year-to-date.

5. Changes in estimates

There were no material changes in estimates of amounts reported in prior financial years that have material effect in the current quarter and financial year-to-date.

6. Issuance and repayment of debt and equity securities

There were no issuances, cancellation, repurchases, resale and repayments of debts and equity securities for the current quarter and financial year-to-date.

7. Dividend paid

There was no dividend paid in the current quarter.

8. Segmental reporting

The segmental analysis for the Group for the financial year-to-date ended 31 March 2016 and 31 March 2015 are as follows:-

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31 Mac 2016	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue						
External revenue	-	15,439	-	27,878	-	43,317
Inter-segment revenue	-	22	-	-	(22)	-
	-	15,461	-	27,878	(22)	43,317
Segment Results						
Segment results	(137)	1,151	(84)	681	(70)	1,541
Operating profit						1,541
Interest revenue						9
Interest expense						(686)
Taxation						(356)
Net profit for the period						508
31 Mac 2015						
31 Mac 2015	Investment Holding RM'000	Manufacturing RM'000	Trading RM'000	Palm Oil Mill RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue						
External revenue	-	16,574	10,683	25,713	-	52,970
Inter-segment revenue	-	5,002	8	-	(5,010)	-
	-	21,576	10,691	25,713	(5,010)	52,970
Segment Results						
Segment results	(69)	857	694	262	372	2,116
Operating profit						2,116
Interest revenue						5
Interest expense						(735)
Taxation						(503)
Net profit for the period						883

No geographical analysis has been presented as the operations of the Group are solely based in Malaysia.

9. Valuation of property, plant and equipment

There were no amendments made to the valuation of property, plant and equipment that have been brought forward from the previous annual financial statements.

10. Subsequent event

There were no material subsequent events since the end of the current quarter to the date of issue of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

11. Changes in the composition of the Group

The Group announced on 4 January 2016 for the acquisition of two (2) ordinary shares of RM1.00 each in the capital of Saluran Suriamas Sdn Bhd (Company No. 1167807-P) (“SSSB”), representing the entire issued and paid-up share capital of SSSB for a total cash consideration of RM2.00 only (“Acquisition”). Upon the Acquisition, SSSB shall become a wholly-owned subsidiary of CAM. SSSB is presently dormant and its intended principal activity of SSSB will be decided at a later stage.

The Acquisition of SSSB does not have any effect on the share capital and substantial shareholders' shareholding of the Company. It is also not expected to have any material effect on the net assets, gearing and earnings of the Company for the financial year ending 31 December 2016.

12. Contingent liabilities or assets

Save as disclosed below, there were no changes in contingent liabilities since the last annual reporting date and there were no contingent assets as at end of the current quarter.

The contingent liabilities pertaining to the corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries were RM48,767,000 as at 31 March 2016 (31 December 2015 : RM48,208,000).

13. Review of performance of the Company and its principal subsidiary companies

During the quarter under review, the Group's revenue recorded at RM43.3 million as compared to RM 53.0 million in preceding year corresponding quarter. The profit before tax in current quarter recorded lower at RM 0.9 million as compared to RM 1.4 million in preceding year corresponding quarter.

Manufacturing & Trading

The manufacturing and trading segment's revenue in current quarter recorded lower at RM15.4 million as compared to preceding year corresponding quarter of RM 27.3 million. The profit before tax recorded lower at RM 0.4 million in current quarter as compared to RM 1.3 million in preceding year corresponding quarter. The lower profit before tax in current quarter was mainly due to lower sales achieved.

Palm Oil Mill

The palm oil mill segment's revenue in current quarter increased to RM 27.9 million as compared to RM 25.7 million in preceding year corresponding quarter. The profit before tax for this quarter registered higher at RM 0.5million as compared to RM 75,000 in

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preceding year corresponding quarter. The higher profit before tax was due to higher sales achieved and also higher other income recorded in the quarter under review.

The results for the current quarter and financial year-to-date have not been affected by any transaction or event of a material or unusual nature which have arisen between 1 April 2016 and the date of this report.

14. Material changes in the profit before taxation for the current quarter as compared with the immediate preceding quarter

The profit before tax for the quarter under review recorded lower at RM 0.9 million as compared with RM 2.0 million in immediate preceding quarter. The lower profit before tax in current quarter was mainly due to the lower sales achieved in manufacturing segment and also lower profit margin in Palm Oil Mill segment.

15. Current year prospect

The Group remains optimistic on its performance in the current financial year.

16. Variance on forecast profit and/or profit guarantee

This was not applicable as no profit forecast and/or profit guarantee was published.

17. Profit for the period

Profit for the period is arrived at after charging/(crediting):

	Current year Quarter ended	Preceding year Corresponding Quarter ended	Cumulative Quarter Current year to date	Cumulative Quarter Preceding year to date
	31/3/2016 RM'000	31/3/2015 RM'000	31/3/2016 RM'000	31/3/2015 RM'000
Depreciation of property, plant & equipment	1,438	1,631	1,438	1,631
Interest expenses	686	735	686	735
Foreign exchange (gain)/loss - realised	(49)	116	(49)	116
Interest income	(9)	(5)	(9)	(5)
Other income	(811)	(417)	(811)	(417)

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18. Taxation

Taxation comprises the following:-

Particulars	Current year quarter	Current year to date
	31/03/2016 RM'000	31/03/2016 RM'000
Based on results for the period	369	369
Origination / (reversal) of temporary differences	(13)	(13)
	356	356
Under/(Over) provision in prior period	-	-
Tax expense	356	356

The effective tax expense rate for the current quarter and financial year-to-date were higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes and non-availability of the Group tax relief in respect of losses suffered by certain companies.

19. Status of corporate proposals

There was no corporate proposal announced for the current quarter and financial year-to-date.

20. Group borrowings and debt securities

Group Borrowings as at 31-Mar-16	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	2,503	2,945	5,448
Revolving credit	-	2,900	2,900
Bankers' acceptance	6,508	6,074	12,582
Hire purchase loans	179	-	179
Term loans	2,724	-	2,724
	<u>11,914</u>	<u>11,919</u>	<u>23,833</u>
Long term borrowings			
Hire purchase loans	320	-	320
Term loans	24,614	-	24,614
	<u>24,934</u>	<u>-</u>	<u>24,934</u>
Total Borrowings	<u>36,848</u>	<u>11,919</u>	<u>48,767</u>

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Group Borrowings as at 31-Dec-15	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Bank overdraft	1,682	2,410	4,092
Revolving credit	1,000	2,600	3,600
Bankers' acceptance	4,562	7,416	11,978
Hire purchase loans	258	-	258
Term loans	2,680	-	2,680
	<u>10,182</u>	<u>12,426</u>	<u>22,608</u>
Long term borrowings			
Hire purchase loans	287	-	287
Term loans	25,313	-	25,313
	<u>25,600</u>	<u>-</u>	<u>25,600</u>
Total Borrowings	<u>35,782</u>	<u>12,426</u>	<u>48,208</u>

The above Group borrowings are denominated in Ringgit Malaysia.

21. Material pending litigation

There were no material litigations pending since the last annual financial statement.

22. Dividend

There was no dividend declared or recommended for the current quarter and financial year-to-date.

23. Earnings per share

- (a) The amount used as the numerator in calculating basic earnings per share is profit after tax attributable to equity holder of the parent reported for the respective period.
- (b) The weighted average number of shares used as the denominator in calculating basic earnings per share are 193,631,591 for current quarter and for financial year-to-date whereas the weighted average number of shares used for preceding year corresponding quarter and period is 177,127,500.

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24. Realised and Unrealised Profits/Losses Disclosure

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, is as follows:-

	As at 31/3/2016 RM'000	As at 31/12/2015 RM'000
Total retained profits of CAM Resources Berhad and its subsidiaries:		
-Realised	94,111	91,157
-Unrealised	(1,689)	583
	<hr/> 92,422	<hr/> 91,740
Less: Consolidation adjustments	(43,362)	(43,188)
	<hr/> 49,060	<hr/> 48,552
Total Group retained profit as per consolidated accounts	<hr/> <hr/> 49,060	<hr/> <hr/> 48,552